

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W.R. GRACE & CO., <u>et al.</u> , ¹)	Case No. 01-1139 (JKF)
)	Jointly Administered
Debtors.)	Re: Docket Nos. 7753, 7959, 7962 & 7963

**DEBTORS' MOTION FOR LEAVE TO FILE A REPLY IN FURTHER SUPPORT OF
THE MOTION OF THE DEBTORS FOR AN ORDER AUTHORIZING THE DEBTORS
TO ENTER INTO (A) AN EMPLOYMENT AGREEMENT WITH ITS CURRENT
CHIEF OPERATING OFFICER UNDER WHICH HE WOULD ASSUME THE
POSITION OF CHIEF EXECUTIVE OFFICER OF THE DEBTORS ("CEO") AND (B) A
POST-RETIREMENT AGREEMENT WITH THE CURRENT CEO WHEREBY HE
WOULD PROVIDE CONSULTING SERVICES RELATED TO THE DEBTORS'
CHAPTER 11 CASES**

The above-captioned debtors and debtors in possession (collectively, the "Debtors")
hereby request authority pursuant to Del.Bankr.LR 9006-1(d) to file a reply in further support of
the *Motion of the Debtors for an Order Authorizing the Debtors to Enter into (A) an Employment
Agreement with its Current Chief Operating Officer Under Which He Would Assume the*

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Position of Chief Executive Officer of the Debtors ("CEO") and (B) a Post-Retirement Agreement With the Current CEO Whereby He Would Provide Consulting Services Related to the Debtors' Chapter 11 Cases (Docket No. 7753) (the "CEO Motion"), which is currently scheduled for hearing before this Court on March 21, 2005 at 12:00 p.m.

On March 4, 2005, the PD Committee, PI Committee, and Futures Representative each filed objections to the CEO Motion (Docket Nos. 7959, 7963, and 7962, respectively) (collectively, the "Objections"). The Objections (i) contain several misstatements of fact with respect to the reasonableness of Mr. Festa's proposed compensation-package (which is outlined in the CEO Motion), and (ii) confuse the legal standard that this Court should apply when considering the CEO Motion. The Debtors' reorganization efforts hinge upon having strong, well-qualified leadership. Therefore, it is imperative that the legal and factual issues relating to the CEO Motion are fully-briefed. Given the various factual and legal issues that have been raised in the Objections, the Debtors request an opportunity to file a reply that adequately clarifies these matters.

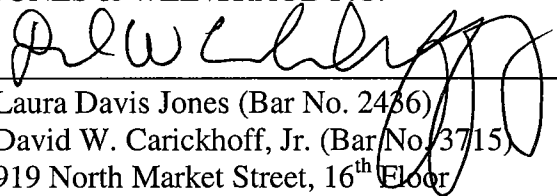
WHEREFORE, the Debtors respectfully request the entry of an Order granting it authority to file the reply, which is attached hereto as Exhibit 1.

Dated: March 11, 2005

KIRKLAND & ELLIS LLP
James H.M. Sprayregen, P.C.
Janet S. Baer
James W. Kapp III
Samuel L. Blatnick
200 East Randolph Drive
Chicago, Illinois 60601
Telephone: (312) 861-2000
Facsimile: (312) 861-2200

and

PACHULSKI, STANG, ZIEHL, YOUNG,
JONES & WEINTRAUB P.C.



Laura Davis Jones (Bar No. 2436)
David W. Carickhoff, Jr. (Bar No. 3715)
919 North Market Street, 16th Floor
P.O. Box 8705
Wilmington, Delaware 19899-8705 (Courier
19801)
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Co-Counsel for the Debtors and Debtors in
Possession

SO ORDERED this ____ day
of March, 2005

The Honorable Judith K. Fitzgerald
United States Bankruptcy Judge